

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
Implementation of Section 621(a)(1) of)
The Cable Communications Policy Act) **MB Docket No. 05-311**
Of 1984 as Amended by the Cable)
Television Consumer Protection and)
Competition Act of 1992)

COMMENTS OF CHAD CHARTON

I. INTRODUCTION

My name is Chad Charton. I am the student body president at California State University, Northridge, and a member of the board for Consumers for Cable Choice (C4CC)¹, an alliance of consumer organizations committed to the creation of an open, diverse, pro-consumer market for cable subscribers that will stimulate price, choice and service options.

As a young consumer, I am filing this testimony with the Federal Communications Commission to express my concern with the lack competition in the cable service market. My generation is quick to embrace new communications tools, viewing these innovations as necessities, not luxuries. Yet despite our eagerness to adopt advancements we are hindered by a lack of choice and ever-increasing costs. In an age where technological development is advancing at lightning speed, the outdated and burdensome franchising regulations inhibit innovation and competition.

I believe that young consumers, in addition to the country as a whole, would benefit from all the advantages of an open market. I also believe that the Commission has the authority to reform the cable franchising process, and through the following comments I urge it to open up competition by removing regulatory barriers.

II. DISCUSSION

¹ Consumers for Cable Choice, Inc. is a not-for-profit corporation formed under Section 501(c)(4) of the Internal Revenue Code.

Under the current, laborious local franchising process it could take almost 30 years for new competition to enter each of the 33,000 local jurisdictions nationwide.² It is this current system that has allowed incumbent cable providers to monopolize the industry, obstruct competition, stunt growth and charge exorbitant cable rates. According to the Commission's *Report on Cable Industry Prices*, the price for cable service has increased by 86% in less than a decade. Additionally, the increase in cable prices has not been proportionate with an increase in channel choice.³ By updating existing regulations and creating a competitive market for video services, consumers would save between \$4.5 and \$6 billion annually.⁴

Streamlining franchising in the cable market would open competition that would spur development and drive down consumer costs. In the few communities where true competition exists, prices have decreased and channel choices have increased.

The Commission should take immediate action to ensure that cable providers do not continue to harm consumers with unchecked rates that are steadily increasing. The Commission holds the authority to limit the reach of local franchise authorities and prevent unnecessary obligations from being placed on new competitive entrants.

III. CONCLUSION

As a student soon to enter the workforce I value the importance of a healthy economy. Increased competition and innovation also increase jobs and spur development in new, yet-to-be-discovered areas. Ten years ago, e-mail was virtually non-existent in a university setting, but today e-mail, as well as a numerous other technologies are indispensable to the student body. As long as the cable industry continues its' monopoly there will be no incentive to improve service, lower costs and drive innovation. I know that as an individual on a limited budget, if given the opportunity to change cable providers and potentially save money, I would jump at the chance. It would be unfortunate, and in fact, detrimental to this country's competitive edge to

² Brian T. Grogan, Esq., "*Franchise Renewal: Industry Consolidation Creates New Challenges for Franchise Negotiations*," March 6, 2003. Online: <http://www.municipalcommunicationslaw.com/WhatsNew/568377.htm>

³ Federal Communications Commission, *Report on Cable Industry Prices*, In the Matter of Implementation of Section 3 of the Cable Television Consumer Protection and Competition Act of 1992, Statistical Report on Average Rates for Basic Service, Cable Programming Service and Equipment. MM Docket No, 92-266, February 4, 2005.

⁴ Consumer Federation of America and Consumers Union. *The Continuing Abuse of Market Power By the Cable Industry: Rising Prices, Denial of Customer Choice, and Discriminatory Access to Content*. February 2004. Online: <http://www.consumerfed.org/pdfs/mpcableindustry.pdf>

continue allowing cable providers to operate unchallenged as they have for so long.

I appeal to the Commission to use its authority and obligation to promote franchise reform in a way that will benefit consumers and the economy. By doing so, all Americans will reap the rewards of increased competition and development of new communications technologies.

Respectfully submitted,

By: Chad Charton

February 7, 2006